



CITY OF SAINT PAUL
Christopher B. Coleman, Mayor

COMMERCE BUILDING
8 Fourth Street East, Suite 200
St Paul, Minnesota 55101-1024

Telephone: 651-266-9090
Facsimile: 651-266-9124
Web: www.stpaul.gov/dsi

CITY OF SAINT PAUL
GAMBLING LICENSE APPLICATION - **NEW ORGANIZATION**

The attached check sheet lists each item that must be submitted to complete an application for the sale of pulltabs in a Saint Paul liquor establishment. Failure to submit all of the information required on the check list could result in the denial of your license application. Your State form will not be signed unless all check list items are submitted.

ADDITIONAL INFORMATION:

- The non-profit organization will apply for a premise permit (no fee) and a Gambling Manager's License fee of \$66.00.
- The bar owner will apply for a gambling location license. Gambling location fees are as follows:

Class C - 100 or less seats	\$66.00
Class B - 101-200 seats	\$66.00
Class A - More than 200 seats	\$66.00
- Gambling location fees must be paid by the bar owner.
- Applications must be submitted in person. The bar owner, gambling manager and an organization officer must be present.
- A 2 2% tax will be collected monthly with your Monthly State Gambling Tax Return.
- 75% of gambling net profit from Saint Paul sites must be spent in Saint Paul or contiguous cities of which 51% must be used to benefit Saint Paul residents.
- You will be required to contribute 10% of your net proceeds from pulltab sales to the City Youth Fund or directly to a group(s) on the 10% Club List.
- A Saint Paul worksheet must be submitted each moth with your tax return (copy attached). The worksheet is used to calculate the 2 2% tax (due monthly) and 10% contribution (calculated monthly/due quarterly).
- The Department of Safety and Inspections must approve the premise permit, gambling manager license and gambling location license. Allow 30-60 days for this process.
- The resolution approving your application must be submitted to the State with your application. Allow 10 weeks for the State to process your application.

- The Department of Safety and Inspections (DSI) must provide notice of your application to all neighbors within 350 feet of the liquor establishment. If no complaints are received from the neighbors, the Department of Safety and Inspections will automatically approve license if all requirements have been met. If complaints are received, you will be notified of a hearing before a Legislative Hearing Officer.
- After the Department of Safety and Inspections action, your premise permit must be approved by the State Gambling Control Division. All approved premise permits for Saint Paul sites will be sent directly to the DSI Office. You will be unable to pick up premise permits at the Gambling Control Division.
- No gambling can be conducted without a current premise permit on site.
- Gambling Managers will be notified when premise permits arrive in Saint Paul. A Saint Paul inspector will contact you for a premise inspection when permits are received and will deliver your permit to the site at the time of your initial inspection.
- Additional inspections will be made periodically.
- Random audits will be conducted by the DSI throughout the year. If your organization is selected for an audit, you will be notified by mail of the information you must supply for the audit.
- All audit results will be submitted to the State Gambling Control Division, Department of Revenue, and Internal Revenue Services.
- All State forms are available at the following address:
 Department of Gaming
 Gambling Control Division
 1711 West County Road B
 Rosewood Plaza South, 3rd Fl.
 Roseville, MN 55113
 (651) 639-4000
- Additional City information is available by contacting the DSI/Lawful Gambling Enforcement at 266-9114.

Attachments:

ORGANIZATION

- 1) Application Check List
- 2) Compliance Affidavit City
- 3) Pulltab Rules
- 4) 2 2%/10% Worksheets
 Class A (bingo), Class B (all other)
- 5) Saint Paul Gambling Ordinance

BAR OWNER

- 1) Gambling Location Check List
- 2) Gambling Location Application Form
 (If bar does not have gambling location license)
- 3) Bar Compliance Affidavit
- 4) Saint Paul Gambling Ordinance

CITY OF SAINT PAUL
GAMBLING LICENSE CHECK LIST
(NEW LICENSES)

Please attach all requested information in the order listed. All copies should be made before you arrive at the DSI License Division.

- 1) Gambling Manager Name _____
- 2) Gambling Manager Daytime Phone _____
- 3) Gambling Proceeds to be Used
For _____

- 4) Organization Application (Copy) **STATE FORM LG 200A** Yes___ No___
Officers Affidavit-LG200B President Yes___ No___
Treasurer Yes___ No___
- 5) Premise Permit Application (Copy) Yes___ No___
STATE FORM LG 214 Yes___ No___
Site Name _____
- 6) Lease (Copy) **STATE FORM LG 215** Yes___ No___
- 6a) Lease is Signed by Lessee & Lessor (409.21) Yes___ No___
(Pulltab dispensing machine - addendum needed)
- 6b) Site Sketch of Leased Premises Yes___ No___
- 7) Gambling Manager Application with bond Yes___ No___
bond and affidavit (Copy) **STATE FORM LG 212**
- 7a) Gambling Manager has completed training or is registered Yes___ No___
to do so (349.167 (5))
- 8) Internal Control (Copy) **STATE FORM LG 201** Yes___ No___
- 9) Internal Control Guidelines Worksheet **STATE FORM LG 202** Yes___ No___
- 10) City Gambling Manager Fee \$66.00 - Payment Attached Yes___ No___
- 11) Membership List (349.16) Yes___ No___
- 12) Copy of membership minutes where your organization Yes___ No___
approved this site.
- 13) Proof of Non-Profit Status (349.16) Yes___ No___
- 14) Proof of Large or Small Organization (409.21) Yes___ No___

**TO BE COMPLETED BY
ORGANIZATION PRESIDENT AND GAMBLING MANAGER**

I understand and will uphold Saint Paul Ordinances 402 and 409, Sections 409.21 and 409.22 relating to pulltabs, tipboards, paddlewheel, and raffles in City of Saint Paul lawful gambling sites.

Further, I understand that my jarbar and/or pulltab dispensing machine must meet city standards; that 10% of the net profit from pulltab sales must be returned to the City-Wide Youth Fund on a monthly basis; that monthly financial statements must be filed with the City; that 51% of the net proceeds from charitable gambling at Saint Paul location(s) must be expended to directly benefit Saint Paul residents who participate in such programs or activities; and that 75% of the net proceeds from charitable gambling at Saint Paul locations shall be expended to or for purposes which benefit programs or activities occurring in the Saint Paul trade area.

Signature - Manager

Signature - Organization President

Organization Name

Gambling Location

Date

Please retain the attached ordinance for your records.

DATE: December 1, 2000

TO: ORGANIZATIONS SPONSORING PULLTABS AND/OR TIPBOARDS
LIQUOR ESTABLISHMENTS

FROM: Christine Rozek
Deputy Director

RE: Pulltab Rules in St. Paul

The following is a list of the basic requirements for the sale of pulltabs and tipboards in Saint Paul. This list is not all inclusive, and is subject to change by the License Inspector and the Saint Paul City Council. Further reference should be made to the Saint Paul Legislative Code Section 409, and the State rules.

I am also available in the DSI License Division Office to help with any other questions you might have. I will keep licensed organizations informed about current city ordinances regarding charitable gambling as ordinance changes are made.

- 1) A site inspection will be made when premise permits are issued by the State. State premise permits will be delivered by the City Inspector.
- 2) Routine inspections of pulltab/tipboard operations are made on a regular basis. The city inspector must be able to get behind the jarbar during inspections. Please make your workers aware of this requirement.
- 3) Pulltabs must be sold from a jarbar, and may not be sold by employees of the liquor establishment.
- 4) The jarbar must have Plexiglas on 3 sides which is approximately 20" high. All pulltab sales must be made through the slot cut in the front of this Plexiglas.
- 5) Winning tickets must be dropped in a slot in the top of the bar after payouts are made.
- 6) Pulltabs must be sold from Plexiglas jars. Jars must be "fish bowl" type. Tickets must be dumped into jars and mixed.
- 7) As of September 30, 1991, posting is optional in St. Paul.
- 8) No cash registers are permitted.
- 9) House rules must be posted in a prominent place. If you post, the method of posting major winners must be outlined in your house rules.
- 10) The City complaint # (sign supplied by City) and compulsive gambling hotline #'s must be posted.
- 11) Separate cash banks shall be maintained for each deal. Cash must be kept covered in a drawer(s) of the jarbar.

- 12) Flares must be attached to the jars, but must not block an inspector's view of pulltab serial numbers.
- 13) Pulltabs sold in Saint Paul must pay back at least 70%. There will be no exceptions. Last sale payouts are permitted in Saint Paul.
- 14) The City gambling manager license, State gambling premise permit, State manager license and State organization license must be posted at the site.
- 15) According to State Statute 7860.0280: "A licensed organization must prominently post the following information at the licensed premises:
 - A) name of licensed organization
 - B) license number of licensed organization
 - C) effective date of license to conduct lawful gambling
- 16) You are required to file your entire Minnesota Monthly Gambling Tax Return with both the city and the state. Your monthly returns must have all of the required signatures and must include the monthly St. Paul worksheet. (copy attached)
- 17) 2% of your net receipts must be remitted to the City on a monthly basis. Checks should be sent attached to your monthly gambling tax return.
- 18) 10% of your monthly net profit must either be donated to the City Youth Fund and/or to an organization(s) listed on a list of eligible recipients approved by the City Council on a monthly or quarterly basis. Call the License Division for current copy of the list.
- 19) The Saint Paul Ordinance requires that at least 75% of net profits from charitable gambling in Saint Paul must be spent in the Saint Paul trade area. Of net profits, 51% must be spent on programs to benefit Saint Paul residents.
- 20) At each licensed premise, the organization must have the invoices or true and correct copies of the invoices for the purchase of all pulltab deals at the site or premise. Copies of the premise sketch must also be available at the site.

Your organization must comply with all of the items outlined above in order to operate in St. Paul.

CITY OF ST. PAUL
CLASS B GAMBLING SITES
WITHOUT BINGO

For use with Lawful Gambling Summary (Schedule A if more than 1 site) beginning March, 1998.

Organization Name _____

Gambling Location _____

Month/Year _____ Prepared By _____

TWO AND ONE HALF PERCENT TAX CALCULATION

A) Net Receipts - Total of lines 2c, 3c, 8c, 9c
(Use schedule A if more than 1 site) A) _____

B) Amount above x .025 = 22% tax due **PAY THIS** B) _____

TEN PERCENT NET PROFIT CALCULATION

a) Line A above (Net Receipts) a) _____

b) Sums of lines 22 thru 35
(Use schedule A if more than 1 site) b) _____

c) Line a (above) minus (-) line b (above) c) _____

Miscellaneous deductions (taxes paid for this site only)

1) Pulltab tax to distributor 1) _____

2) Combined receipts tax generated by this site* 2) _____

3) 22% city tax 3) _____

4) Federal taxes (from Schedule C) 4) _____

5) State Gambling Tax (line 11) 5) _____

6) (-) Unsold Ticket Refund 6) _____

7) 10% Youth Fund Credit 7) _____

d) Total Miscellaneous Deductions for this site
(Total of lines 1 thru 5 above) d) _____

e) Line c minus (-) Line d e) _____

f) Line e x 10% **PAY THIS** f) _____

Line f is the minimum amount for this month that must be contributed either to the City Youth Fund or to a group or groups on the 10% Club list.

*** Organizations with more than 1 site use reverse side of this page to show how the figure for combined receipts tax (line 2) was calculated**

CITY OF SAINT PAUL
GAMBLING LOCATION LICENSE (**NEW BAR ENDORSEMENT ONLY**)
(TO BE USED WITH A NEW STATE GAMBLING PREMISE PERMIT IN LIQUOR
LICENSEES)

- | | |
|---|--------------|
| 1) Bar site application
(If bar does not have a Gambling Location License) | Yes___ No___ |
| 2) Bar compliance affidavit CITY FORM | Yes___ No___ |
| 3) Payment Attached/Gambling Location Fee
(Bar Owner Pays) \$66.00. | Yes___ No___ |

A copy of the Saint Paul Ordinance with regard to Pulltab/Tipboard/Paddlewheel sales in liquor establishments is attached for your reference.

BAR OWNER

**CITY OF SAINT PAUL, MINNESOTA
CHARITABLE GAMBLING LOCATION**

Directions: This form must be filled out with a typewriter or by printing in ink by the sole owner, by each partner, and by each person who has interest in excess of 5% in the corporation and/or association in which the name of the license will be issued.

THIS APPLICATION IS SUBJECT TO REVIEW BY THE PUBLIC

1. Application for (name of license) _____
2. Located at (address) _____
3. Name under which business is operated _____
4. True Name _____ Phone _____
First Middle Maiden Last
5. Date of Birth _____ Place of Birth _____
(Month, Day, Year)
6. Home Address _____ Home Phone _____
7. Have you ever been convicted of any gambling violations? _____
8. List licenses which you currently hold at this location. _____

9. Do you have a direct or indirect financial interest in the distribution or manufacture of gambling equipment? _____
10. SUBMIT A SITE PLAN SHOWING WHERE THE GAMBLING BOOTH WILL BE LOCATED AND THE DIMENSIONS OF THE LEASED SPACE.

ANY FALSIFICATION OF ANSWERS GIVEN OR MATERIAL SUBMITTED WILL
RESULT IN DENIAL OF THIS APPLICATION.

TO BE COMPLETED BY BAR OWNER

I understand and will uphold the ordinance amending Chapter 409 of the Saint Paul Legislative Code (Intoxicating Liquor) relating to pulltabs and tipboards in bars

I further understand that failure to comply may result in the suspension or revocation of On Sale Liquor and corresponding licenses.

Signature

Signature

Date

Return to:

Department of Safety and Inspections
Gambling Enforcement
8 Fourth Street East, Suite #200
Saint Paul, MN 55101

**CITY OF ST PAUL CLASS A GAMBLING SITES
WITH BINGO**

For use with Lawful Gambling Summary (Schedule A if more than 1 site)

Organization Name _____

Gambling Location _____

Month/Year _____ Prepared By _____

TWO AND ONE HALF PERCENT TAX CALCULATION

A) Net Receipts - Total of lines 1c, 2c, 3c, 8c, 9c
(use Schedule A if more than 1 site) A) _____

B) Amount above x .025 = 22% tax due **PAY THIS** B) _____

TEN PERCENT NET PROFIT CALCULATION

a) Sum of lines 2C, 3C, 8C & 9C for St. Paul bingo site
(use Schedule A if more than 1 site) a) _____

b) Line A above (Net Receipts) b) _____

c) Line a (above) divided by Line b (above) c) _____

d) Sum of lines 22 thru 35
(use Schedule A if more than 1 site) d) _____

e) Line b (above) minus (-) Line d (above) e) _____

Miscellaneous deductions (taxes paid for this site only)

- | | |
|---|----------|
| 1) Pulltab tax to distributor | 1) _____ |
| 2) Combined receipts tax generated by this site * | 2) _____ |
| 3) 22% city tax | 3) _____ |
| 4) Federal taxes (from schedule C) | 4) _____ |
| 5) State gambling tax (line 11) | 5) _____ |
| 6) (-) Unsold Ticket Refund | 6) _____ |
| 7) 10% Youth Fund Credit | 7) _____ |

f) Total Miscellaneous Deductions for this site
(Total of lines 1 thru 7 above) f) _____

g) Line e (Above) minus (-) Line f (Above) g) _____

h) Line g (Above) x Line c (Above) h) _____

I) Line h (Above) x 10% **PAY THIS** I) _____

Line I the amount for this month that must be contributed to either the City Youth Fund or to a group or groups on the eligible 10% Club list.

***Organizations with more than 1 site use reverse side of this page to show how the figure for combined receipts tax (line 2) was calculated.**

Sec. 409.05. On- and off-sale licenses; term; fees.

409.05(g) Gambling Location \$66.00

Sec. 409.08. Regulations generally.

(6) No licensee shall keep, possess or operate, or permit the keeping, possession or operation of, on any licensed premises or in any room adjoining the licensed premises any slot machine, dice or any gambling device or apparatus, nor permit any gambling therein (whether or not licensed by the state), nor permit the licensed premises or any room in the same or in any adjoining building directly or indirectly under his or her control to be used as a resort for prostitutes or other disorderly persons, except that pulltabs, tipboards, paddlewheels and raffle tickets may be sold on licensed premises when such activity is licensed by the state pursuant to Minnesota Statutes, Chapter 349, and conducted pursuant to regulations contained in this Legislative Code.

Notwithstanding the foregoing, a licensee may permit, for specific functions or events, up to five (5) times per calendar year, for which written notice is given to the Department of Safety and Inspections at least forty-eight (48) hours in advance, the use of slot machines, dice and gambling devices on the licensed premises if (a) their presence or use on the licensed premises does not violate state or federal law, (b) their use is solely for social, recreational or amusement purposes, and not for fundraising of any kind or for any cause or purpose, and (c) no gambling other than lawful charitable gambling takes place on the licensed premises.

1. Notwithstanding other provisions of this Legislative Code to the contrary, the council may permit an on-sale licensee to permit the holding of a single event, such as a banquet, that includes the sale of raffle tickets as a part of the event activity; provided, that such events are separate from the public areas of the licensed establishment, not open to the general public, and the raffle conducted by a charitable organization licensed by the State of Minnesota.

Sec. 409.21. Pull-tabs and tipboards in bars by qualified charitable nonprofit organizations.

2. (a) *Permission of city council; endorsement; termination:*

(1) On-sale licensees may request permission of the city council to permit qualified charitable organizations to conduct lawful gambling in the form of paddlewheels, pull-tabs, raffles and tipboards only on the licensed premises. Application for permission shall be made to the license inspector and payment of the specified fee. If the application is granted, the license shall contain an endorsement specifying this approval and the gambling endorsement may be considered for renewal at the same time as the council may consider renewal of the on-sale license.

(2) In the event the permission of any charitable nonprofit organization to conduct lawful gambling on the licensed premises is terminated by the licensed establishment on whose premises the organization was conducting said gambling, or in the event such organization terminates its lawful gambling as a result of coercion, pressure or unreasonable or unlawful conduct by the licensee or its employees, the on-sale

licensee shall not be able to make application for a gambling endorsement for a new charitable nonprofit organization to take the place of the former organization until one (1) year after discontinuance of all gambling activity on the licensed premises by the former organization.

(b) *Gambling endorsement regulations.* Gambling endorsements in on-sale licenses shall be subject to the following regulations which shall be deemed as a part of the license, and failure of compliance may constitute grounds for adverse action as prescribed in the Legislative Code:

(1) Only charitable nonprofit organizations licensed by the State of Minnesota to operate paddlewheels, tipboards and pull-tabs may be allowed to sell paddlewheel tickets, pull-tabs, raffle tickets and tipboards on the licensed premises.

(2) Use of the licensed premises shall be by means of a written lease agreement between the licensee and the charitable organization. All leases shall comply with the provisions of Minn. Stat. Chapter 349 and the rules promulgated pursuant thereto. The lease shall expire with the premises permit; a copy shall be filed with the DSI director, and also a copy must be kept on the premises and available for public inspection upon request. Leases shall be governed by the following:

a. In the case of pull-tab dispensing devices, the lease agreement shall address cash shortages, game banks, machine repair, and prize reimbursement.

b. Reserved.

c. The licensee may not be reimbursed by the charitable organization for any license or permit fees, and the only compensation which the licensee may obtain from the charitable organization are the amounts fixed in the lease agreement.

d. All lawful gambling shall be conducted from a booth or pulltab dispensing device within a leased or wholly owned area with the following exception: raffle tickets, paddlewheel tickets consisting of thirty (30) numbers or less with no table and tipboards consisting of thirty (30) or less may be sold within all of the public area of the permitted premise with the exception of the bar service area. Raffle drawings, winning ticket redemption, paddlewheel location and tipboard seal opening must be within the leased or wholly owned area with the exception that pulltab prize redemption from dispensing devices may be made as set forth in subdivision (6) below. Paddlewheel tickets, pull-tabs, raffle tickets and tipboards shall neither be sold by employees of the licensee nor sold from the bar service area.

e. The construction and maintenance of the booth used by the charitable organization shall be the sole responsibility of the charitable organization.

f. The lease shall contain a provision permitting the licensee to terminate the lease if the charitable organization is found guilty of any violation of state or local gambling statutes, ordinances or rules and regulations.

(3) Only one (1) charitable organization shall be permitted to conduct lawful gambling on a permitted premises except on such premises where two (2) organizations are conducting lawful gambling at the time this section is passed, provided that this requirement will apply if one (1) of said organizations ceases operations.

(4) A pull-tab dispensing device must be protected by an alarm system that is centrally monitored and has a battery backup. Such alarm may protect just the machine or the entire premises.

(5) If readily perishable or potentially hazardous food, as defined in section 331.07 of the Legislative Code, is awarded as a prize in any charitable gambling, the storage and handling of such food shall be in compliance with all applicable requirements of Chapter 331 of the Legislative Code. The licensee shall be responsible for notifying the Department of Safety and Inspections that food, whether readily perishable or potentially hazardous or not, is being awarded as a prize in any charitable gambling taking place on the licensed premises, using such form or forms as may be prescribed by such office.

(6) Winning pull-tab tickets dispensed from dispensing devices may be redeemed by bar personnel from the bar service area, provided that a separate accounting of pull-tab proceeds and other funds of the licensed establishment is performed and made available to enforcement personnel.

(c) Large charitable nonprofit organizations regulated:

(1) Notwithstanding any other provision of law or of sections 409.21 and 409.22 of this chapter, not more than five (5) charitable nonprofit organizations which qualify as "large organizations" may be permitted to conduct lawful gambling in the form of paddlewheels, pull-tabs, raffles and tipboards on licensed premises after meeting all other requirements of Chapters 310 and 409 of the Saint Paul Legislative Code and of any other applicable statute, regulation or ordinance. The term "large organization," for the purpose of this chapter, shall mean and include any charitable nonprofit organization which has the size and resources, as well as the public acceptance and drawing power, sufficient to dominate in the competition for licensed premises in which to conduct charitable gambling so as to make it difficult or impossible for small charitable nonprofit organizations to find suitable or desirable premises in which to raise funds by charitable gambling. Any charitable nonprofit organization whose annual gross revenues for the immediately past fiscal or calendar year from all sources are in excess of ten million dollars (\$10,000,000.00) or whose annual management and administrative expenditures for its current budget year are in excess of three million dollars (\$3,000,000.00), or twenty-five (25) percent or more of whose net profits from charitable gambling are or have been distributed in at least three (3) of the last five (5) years to another nonprofit or charitable organization of which it is a local chapter or subsidiary, shall be presumed to be a large corporation. The computation of the above dollar amounts shall be the total for both the charitable nonprofit organization in question and any other such organization, if such other organization:

(a) Has the power to appoint a majority of the governing body of the organization in question;

(b) Has or exercises the authority to direct or control the work of the officers or employees of the organization in question;

(c) Provides half or more of the gross revenues of the organization in question; or

(d) Franchises or charters the organization in question, or permits the organization in question to use its name and/or organizational symbols in the conduct of the fund-raising activities of the organization in question.

(2) No endorsement to the on-sale license shall be granted to any on-sale licensee for a large organization until thirty (30) days after the effective date of this ordinance [Ordinance No. 17613]. If there are more than five (5) qualified applicants for such

endorsement, the council shall by motion set a future regular council meeting date at which five (5) such applicants shall be selected for the issuance of the liquor endorsements authorized herein. Such selection shall be by lot in accordance with the procedures indicated in section 409.16(e)(2) (excepting the payment of the special issuance excise tax). Not less than thirty (30) days after one (1) of such endorsements is revoked, denied or lapses for any reason, the council may establish a date for random selection among otherwise qualified applicants as provided above. If the number of applicants at any time is equal to or less than five (5), or less than the number needed to bring the total of such endorsements issued to five (5), then the council may issue such endorsements in the regular manner.

(3) The large organizations authorized to operate in on-sale licensed premises as provided for in this paragraph (c) shall be required to comply with all applicable requirements of law and of sections 409.21 through 409.23, including the payment of ten (10) percent of their net profits without allowance for cash shortages from selling paddlewheel tickets, pull-tabs, raffle tickets and tipboards as provided by section 409.22(11).

(4) The term "large organization" for the purpose of subsection (c) shall not include a club as defined in section 409.02 of this chapter where such club has an on-sale intoxicating liquor license issued under this chapter and the only charitable gambling carried out on the licensed premises is operated by the club itself in conformity with applicable state and municipal licenses and regulations thereunder.

(d) *Number of establishments restricted.* No charitable organization shall sell paddlewheel tickets, pull-tabs from booths, raffle tickets and/or tipboards in more than three (3) establishments licensed by the City of Saint Paul for the sale of intoxicating liquor in accordance with section 409.22; provided, however, that no such organization may operate in a second establishment until it has been in full operation for at least three (3) months in the first establishment. In the case that an organization is operating pull-tab dispensing devices, the organization may operate at a maximum of six (6) sites, but may not exceed three (3) pull-tab dispensing devices at any one (1) location nor a total of six (6) dispensing machines at all locations. Pull-tab dispensing devices may be located at establishments that concurrently operate a pull-tab booth.

(Ord. No. 17321, § 3, 12-31-85; Ord. No. 88-500, § 9, 11-17-88; Ord. No. 17657, § 7, 6-8-89; Ord. No. 17713, § 2, 2-8-90; C.F. No. 92-1065, § 1, 10-5-92; C.F. No. 94-141, § 1, 3-2-94; C.F. No. 94-745, § 1, 6-22-94; C.F. No. 96-394, § 1, 5-8-96; C.F. No. 98-349, § 1, 5-27-98; C.F. No. 03-995, § 1, 11-26-03)

Cross reference(s)--Gambling, Ch. 270; lawful gambling, Ch. 402; bingo halls, Ch. 403; game rooms, Ch. 406.

Sec. 409.22. Charitable gambling regulations.

The sale of paddlewheel tickets, pull-tabs, raffle tickets and tipboards in on-sale licensed premises shall be conducted only by qualified and state-licensed charitable organizations. In addition to satisfying the qualifications set forth in Minnesota Statutes, Chapter 349, the following regulations and qualifications must be complied with by all

such charitable organizations:

- (1) Must have been in existence for three (3) years.
 - (2) Must file an annual financial audit with the DSI director.
 - (3) Must file financial reports monthly with the DSI director.
 - (4) Must exhibit and sell paddlewheel tickets, pull-tabs, raffle tickets and tipboards in a method as required by the DSI director.
 - (5) Shall not commingle game cards.
 - (6) Shall pay employees in compliance with applicable state and federal law, and any applicable rules and regulations promulgated thereunder.
 - (7) Shall comply with all provisions of Minnesota Statutes, Chapter 349, and all orders issued by the state board pursuant to section 349.172 hereof.
 - (8) Shall register with the state gambling board all equipment and supplies used in a licensed on-sale liquor establishment.
 - (9) Shall post in a conspicuous place rules and regulations concerning charitable gambling as required by the DSI director.
 - (10) Shall pay to the Youth Program Fund, or to one (1) or more eligible recipients on the list established pursuant to section 409.235, following the procedures established therein, ten (10) percent of the monthly net profits from each Saint Paul site at which charitable gambling operations are conducted from the sale of paddlewheel tickets, pull-tabs, raffle tickets and tipboards.
 - (11) Shall expend, in each calendar year, at least seventy-five (75) percent or more of its net proceeds from charitable gambling at Saint Paul locations to or for purposes which benefit programs or activities occurring in the Saint Paul trade area. Fifty-one (51) percent of the net proceeds from charitable gambling at Saint Paul locations must be expended to directly benefit Saint Paul residents who participate in such programs or activities. The "Saint Paul trade area" is defined as the City of Saint Paul and each city contiguous to Saint Paul. Contributions to the Saint Paul Youth Fund under sections 409.23 and 409.235 of this chapter shall be presumed to benefit programs and activities which occur in the Saint Paul trade area, and shall be presumed to directly benefit Saint Paul residents who participate in such programs or activities.
- (Ord. No. 17321, § 4, 12-31-85; Ord. No. 17542, § 1, 3-10-88; Ord. No. 88-500, § 4, 11-17-88; Ord. No. 17652, § 3, 6-1-89; Ord. No. 17678, § 1, 8-29-89; Ord. No. 12214, § 1, 12-27-90; Ord. No. 17843, § 1, 6-18-91; Ord. No. 17869, § 1, 8-20-91; Ord. No. 17916, § 1, 3-26-92; Ord. No. 17925, § 2, 5-28-92; C.F. No. 93-1591, § 1, 11-30-93; C.F. No. 94-745, § 2, 6-22-94; C.F. No. 96-394, § 2, 5-8-96)

Cross reference(s)--Lawful gambling, Ch. 402.

Sec. 409.225. Posting.

(a) *Inspector's discretion.* The inspector may issue an order requiring an organization selling pull-tabs to post major prizes and the names of major prize winners if he or she has reasonable grounds to believe that the organization, or a person receiving compensation from the organization for participating in the sale of pull-tabs, has been or is providing information to a player or players that provides an unfair advantage

related to the potential winnings from pull-tabs. The information posted shall comply with the requirements of Minnesota Statutes, Section 349.172, subdivision (2).

(b) *Notice.* The inspector must notify the organization at least fourteen (14) days before the order becomes effective. The notice to the organization must describe the organization's right to a hearing under the provisions of section 310.05 of this Legislative Code.

(c) *Hearing.* An organization to which the inspector issues an order under this section may request a hearing under section 310.05 of this Legislative Code. The request for a hearing shall not delay the effective date of the order.

(C.F. No. 94-745, § 3, 6-22-94)

Sec. 409.23. Fund established; administration.

(a) *Youth Program Fund.* There is hereby established a special fund for the administration and distribution of the proceeds contributed by charitable gambling in on-sale liquor establishments as specified in this chapter. This fund shall be known as the "Youth Program Fund." The purpose of this fund shall be to assist in providing funding for youth programs developed and operated by volunteers associated with youth serving groups and/or organizations providing services to Saint Paul youth under the age of twenty (20). All proposal shall be submitted to the Youth Program Fund manager. Monies in this fund may be expended only for such lawful purposes as set forth in Minnesota Statutes, Chapter 349. Organizations selling paddlewheel tickets, pull-tabs or tipboards in licensed establishments shall be ineligible to receive funds from the Youth Program Fund.

(b) *Advisory board.* The mayor, with the advice and consent of the city council shall appoint a city-wide Youth Program Fund advisory board whose membership shall consist of one (1) youth and one (1) adult representative from each of the city's council districts as well as four (4) at-large members to advise the city council on the disbursement of these funds. The advisory board shall by resolution adopt rules and regulations governing the administration of the fund, eligible applicants and appropriate uses for the funds, which rules shall, prior to becoming effective, be approved by the city council. These rules shall include all the provisions of this section.

(c) *Applicant qualifications:*

(1) Applicants for funding must be:

a. Incorporated, nonprofit organizations formed for the purpose serving Saint Paul youth, or have an incorporated, nonprofit organization which provides programs for Saint Paul youth as a fiscal agent; or

b. Community-based nonprofit corporations which by their articles or bylaws operate solely in specific geographic areas of the City of Saint Paul, or booster clubs organized for a recreation center, which provide programs for youth in the communities or neighborhoods which such organizations represent.

Organized clubs, activities and teams of public or private schools will not be eligible.

Evidence that an organization has been recognized by the IRS as exempt from taxation pursuant to 26 U.S.C. Section 501 or is using an organization so recognized as a fiscal agent shall be accepted as proof that it is a nonprofit organization, but such evidence is

not the exclusive method of establishing nonprofit status.

(2) No organization operating charitable gambling in the State of Minnesota will be eligible to receive funds.

(3) No organization formed, incorporated, operated or managed by the members, officers or directors of any organization operating or conducting lawful gambling, or subject to requirements for contributions under sections 409.22(1) or 402.10 of the Legislative Code, will be eligible to receive funds.

(4) An incorporated, nonprofit organization formed for the purpose of serving Saint Paul youth, or which has an incorporated, nonprofit organization which provides programs for Saint Paul youth as a fiscal agent, can apply for funding from the Youth Program Fund in any calendar year in which it has received funds from any organization pursuant to the procedures under section 409.235 of the Legislative Code, but cannot exceed the limits as set forth in this chapter.

(d) *Requirements for applications for funding.* Applicants shall provide program information setting forth its stated purpose (goals and objective), number of youth served, area served and reasons why the funds are needed. The submitting organization must provide at the time of application the following information:

(1) Verification of the nonprofit status of the fiscal agent and a copy of the articles and bylaws of such agent.

(2) A list of officers and/or board of directors of the organizations(s), and the fiscal agent(s), if any, involve in the project. A list of individuals (staff and volunteers) responsible for the proposed program.

(3) Letter verifying approval of the application by the board of the fiscal agent.

(4) Previous year's program budget and financial statement (if applicable).

(5) Proposed program budget (expenses and income) for the activity.

Financial information must demonstrate that the proposed programs to be funded will be used for the benefit of the public in providing youth programs for youth twenty (20) years old and under, at least seventy-five (75) percent of whom are residents of the City of Saint Paul.

(6) Evidence that insurance, if needed, can be obtained by the organization.

(e) *Standards for awards of funds.*

(1) Funds will be awarded on a three Youth Program Fund dollars to one (1) organization dollar matching basis only. Volunteer hours may be used toward the match (\$10.00 per hour of volunteer time involved in the implementation of the proposed program).

(2) Proposals will be evaluated on their merits. Proposals may be denied if the Youth Program Fund board determines that other suitable funding may be available to the organization or for the activity, or that the proposal does not meet the requirements of applicable ordinances or the guidelines adopted by the board. Priority will be given to proposals that:

a. Are developed and evaluated with youth involvement;

b. Are directed toward prevention of youth problems; or

c. Address demonstrable community needs that cannot be met because of the lack of

financial resources on the part of institutions or individuals in that community.

(3) Organizations receiving funds shall file financial reports with the city showing how the funds were expended and for what purpose. No additional grants will be made until the organization has filed such reports of previous expenditures.

(4) Funds will be granted for new and ongoing activities of any eligible organization which will operate or has operated with significant community volunteer involvement; activities of eligible organizations that have been operating youth programs for less than five (5) years; or ongoing activities which might not be offered because of substantial loss of other funding or because of substantial increases in major program costs.

(5) Programs will be limited to eight thousand dollars (\$8,000.00) in grants each year. Organized athletic programs, regardless of sport, based at or primarily using the facilities or equipment of a particular recreational facility may be considered one (1) program at that facility. In addition to the foregoing, an eligible organization may be allowed to receive an additional six thousand dollars (\$6,000.00) of grants from the Youth Program Fund each year if the organization is located with, or primarily served youth located in, a Community Development Block Grant-eligible area or the organization can demonstrate that a majority of the youth directly benefited by the program come from families whose income is below the income standards which are used to measure Community Development Block Grant area eligibility.

(6) Funds should be received by the grantee organization within thirty (30) days after the approval of the city council, so long as such organization has complied with all lawful requirements and the city and such organization have previously executed a contract with respect to such funds.

(f) *Limitations on use of funds:*

(1) Funds may not be used for capital expenses, except as may be provided in administrative rules adopted by the advisory board permitting use of funds for purchase or maintenance of capital goods other than real property, nor for salaries or travel expenses, but may be expended for an individual or team representing the city or state in the state or national championship tournament in that sport or activity or from the city where such individual or team has qualified for the state or national championship tournament in that sport or activity by competing in and winning the championship or tournament in the city or state; provided, that travel expenses shall not be paid for any invitational tournament, qualifying tournament or other tournament. The term "championship tournament" means that such tournament is sanctioned as such by the governing body of that sport or activity. Funds may also be expended for reasonable bus rental for same-day trips for special events or activities.

(2) No part of the funds deposited in the Youth Program Fund shall be used for any part of the costs of administration or regulation of such fund.

(Ord. No. 17321, § 5, 12-31-85; Ord. No. 17613, § 6, 11-17-88; Ord. No. 17925, § 1, 5-28-92; C.F. No. 94-745, § 4, 6-22-94)

Sec. 409.235. Contributions to eligible recipients.

(a) *Advisory board.* The board shall be the Youth Program Fund Advisory Board established pursuant to section 409.23 above.

(b) *Eligible recipients list established.* There is hereby established a list of recipients eligible for distribution of proceeds contributed by charitable gambling in on-sale liquor establishments as specified in this chapter, and in private clubs and other places as provided in section 402.10 of these chapters. The list of eligible recipients shall be promulgated annually by resolution by the city council upon the advice and report of the board. Such list may be amended from time to time by the city council to add or delete recipients. Such list shall be maintained for public inspection in the office of the city clerk, and shall be mailed quarterly to all organizations conducting charitable gambling within the City of Saint Paul by the Department of Safety and Inspections.

(c) *Applicant qualifications for inclusion on list.* Applicants shall be required to apply annually and shall meet the following requirements in order to be included on the list:

(1) Applicants for inclusion on the list must be incorporated, nonprofit organizations formed solely for the purpose of serving Saint Paul youth, or having an incorporated, nonprofit organization, which provides programs for Saint Paul youth, as a fiscal agent. Booster clubs, which provide programs for youth, organized for a recreation center will be eligible, but organized clubs, activities and teams of public or private schools, will not be eligible. Evidence that an organization has been recognized by the IRS as exempt from taxation pursuant to 26 U.S.C. Section 501 or is using an organization so recognized as a fiscal agent shall be accepted as proof that it is a nonprofit organization, but such evidence is not the exclusive method of establishing nonprofit status.

(2) No other organization shall be eligible for inclusion on the list.

(d) *Requirements for applications for inclusion on the list:*

(1) Each applicant for inclusion on the list shall provide information setting forth its stated purpose, number of participants served, area served and the reasons why funds are needed.

(2) The submitting organization must provide at the time of application:

- a. Verification of nonprofit status and copy of organizational bylaws.
- b. List of current officers or directors.
- c. Letter verifying organization's approval of the proposal and, where necessary, letter verifying approval of the application and proposal by the board of the fiscal agent.
- d. Previous year's budget and financial statement.
- e. Current balance sheet and income statement, if applicable.
- f. Proposed budget (expenses and income) for the activity.
- g. Evidence that insurance, if needed, can be obtained by the organization.
- h. Area served, number of participants served, and reasons why funds are needed.

The financial information must demonstrate that the majority of the organization's funding is used for the benefit of the public in providing youth programs for youth twenty (20) and under, at least seventy-five (75) percent of whom are residents of the city.

(3) No organization operating charitable gambling in the State of Minnesota will be eligible for inclusion on the list.

(4) An organization formed, incorporated, operated or managed by the members, officers or directors of any organization operating or conducting lawful gambling, or subject to the requirements for contributions under sections 409.22(1) or 402.10 of the

Legislative Code, or the ten (10) percent contribution requirement in this section, shall not be an eligible recipient.

(5) An eligible recipient, as a condition to continuation on the list, may not engage in or operate charitable gambling nor use any contributions received as a result of its status as an eligible recipient for anything other than a lawful purpose. Each recipient as a condition of receipt of contributions must execute the verified receipt and representations required above.

(e) *Contributions required.* Organizations conducting charitable gambling within the City of Saint Paul shall, to meet requirements imposed by law, including, but not limited to, sections 402.10 and 409.22(14) of the Saint Paul Legislative Code, give ten (10) percent as required therein to one (1) or more eligible recipients on the list promulgated by the city council or to the Youth Program Fund established under section 409.23. All such contributions must go only to eligible recipients on the list provided above. An organization cannot contribute to any recipient not furnishing the verified receipt as provided.

(f) *Affidavit.* Each eligible recipient shall annually, during the month of January, file an affidavit with the Youth Program Fund manager, in which each officer of the recipient shall state that the contributions which it received during the previous calendar year have been expended for a lawful purpose and state the purpose, that all previous contributions, if any, have been expended for lawful purposes, that the calendar-year total of contributions received as a result of its status as an eligible recipient does not exceed the allowable amount under the ordinance, that it does not operate any gambling activities, and that no such contribution or any previous contribution will be or has been used for capital expenses, salaries or travel expenses except as may be allowed herein.

(g) *Limitations on award and use of funds.* Funds may not be used for capital expenses, except as may be provided in administrative rules adopted by the advisory board permitting use of funds for purchase or maintenance of capital goods other than real property, nor for salaries or travel expenses, but may be expended for an individual or team representing the city or state in the state or national championship tournament in that sport or activity, or from the city where such individual or team has qualified for the state or national championship tournament in that sport or activity by competing in and winning the championship of a tournament in the city or state; provided, that travel expenses shall not be paid for any invitational tournament, qualifying tournament or other tournament. The term "championship tournament" means that such tournament is sanctioned as such by the governing body of that sport or activity. Funds may also be expended for reasonable bus rental for same-day trips for special events or activities.

(h) *Contribution of checks through the license division.* Notwithstanding any other provision of law to the contrary, an organization conducting charitable gambling shall make its contribution to an eligible recipient on the list by sending its check for the amount to the license inspector. The license inspector shall verify that the intended eligible recipient has complied with all requirements of this chapter and that the proposed contribution will not exceed the allowable limits, nor be in excess of eight thousand dollars (\$8,000.00) for that calendar year (as modified by the provisions of subparagraph (e)(5) of section 409.23 above concerning organizations in certain eligible areas or making certain demonstrations). If all requirements of law have been

satisfied, the DSI director shall forward such contribution to the intended eligible recipient by mail.

(i) *Alternate compliance.* Notwithstanding any provision of law to the contrary, any organization conducting charitable gambling within the City of Saint Paul may satisfy its obligations under paragraph (e) above and sections 402.10 and 409.22(14) of the Code to give ten (10) percent of its net profits to eligible recipients by, in lieu thereof, contributing such ten (10) percent to the Youth Program Fund established under section 409.23 of the Code.

(Ord. No. 17652, § 4, 6-1-89; Ord. No. 17925, § 4, 5-28-92; C.F. No. 96-394, § 3, 5-8-96)

Sec. 409.24. Gambling managers.

No person shall be a manager of any charitable organization selling paddlewheel tickets, pull-tabs and tipboards in on-sale liquor establishments unless licensed by the city as provided herein and compliance with the following requirements:

(1) Application for gambling manager license shall be made at the office of license inspector on forms provided by said office. The annual license fee shall be established pursuant to section 310.09(b) and published in section 310.18 of the Legislative Code.

(2) Gambling managers shall meet all the requirements of Minnesota Statutes, Chapter 349, and must file proof that a ten thousand dollar (\$10,000.00) fidelity bond has been provided.

(3) Reserved.

(4) Gambling managers shall be compensated in compliance with applicable state and federal law, and applicable rules and regulations promulgated thereunder.

(5) All gambling managers must successfully complete a training program established by the state, which training program shall include state charitable gambling laws, city charitable gambling ordinances, accounting procedures, record keeping and reporting procedures and methods.

(Ord. No. 17321, § 6, 12-31-85; Ord. No. 17666, § 1, 7-13-89; Ord. No. 17678, § 2, 8-29-89; C.F. No. 93-1591, § 2, 11-30-93; C.F. No. 94-745, § 5, 6-22-94)